



School Finance Formula Review Interim Committee

October 5, 2009

State Categorical Supplement School Aid Funding

Presented by:

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Categorical Formula Roll-in Background

Prior to FY 2010:

- Educational Excellence (FY 1988)
 - ◆ Phase I – Recruitment of Quality Teachers
 - ◆ Phase II – Retention of Quality Teachers
 - ◆ Phase III – Enhance Quality, Performance, and Effectiveness of Teachers
- Early Intervention/Class Size Reduction (FY 2000)
- Student Achievement Teacher Quality (SATQ) – FY 2002
 - ◆ Teacher Compensation
 - ◆ Professional Development (FY 2006)

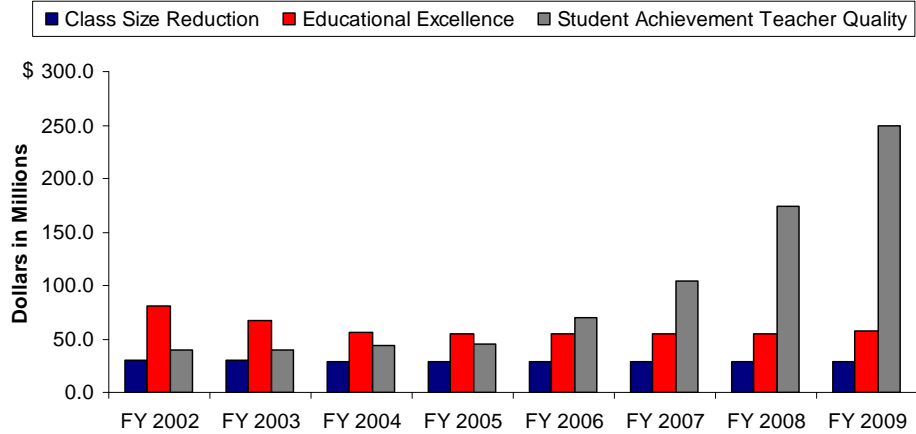


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State Categorical Appropriation Amounts FY 2002 to FY 2009



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Categorical Formula Roll-in

- School aid roll-in beginning in FY 2010
- Funded on a per pupil basis
- Per pupil allowable growth rate beginning in FY 2011 (set at 2.0% for each category)
- Categories:
 - ◆ Teacher Salary Supplement (SATQ Teacher Compensation and Educational Excellence Phase II)
 - ◆ Professional Development Supplement (SATQ Professional Development)
 - ◆ Early Intervention Supplement (Early Intervention/Class Size Reduction)



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Categorical Formula Roll-in (cont'd)

- Funded entirely through State aid
- FY 2010 funding based on FY 2009 allocations
- Part of the school district's Combined District Cost
- Budget Guarantee – 100% of previous year's unadjusted amount for each category
- Funds designated for specified program area

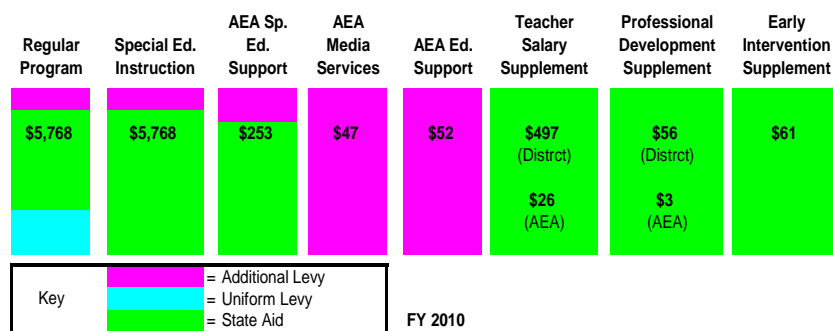


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Per Pupil Foundation Levels – a Comparison



- State Categorical Supplements are funded entirely through State aid
- Other programs funded through State aid/property tax mix (or all property tax)



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State Categorical Supplement Allowable Growth Rate(s)

- Rates for:
 - ◆ Teacher Salary Supplement (District and AEA)
 - ◆ Professional Development Supplement (District and AEA)
 - ◆ Early Intervention Supplement (District)
- Recommended by the Governor
- Established by the Legislature within 30 days of Governor's budget recommendation



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Allowable Growth Amount

	School District Cost Per Pupil			AEA Cost Per Pupil	
	Teacher Salary Supplement	Professional Development Supplement	Early Intervention Supplement	Teacher Salary Supplement	Professional Development Supplement
FY 2010 State Cost Per Pupil	\$ 497.09	\$ 56.29	\$ 61.32	\$ 26.02	\$ 3.04
FY 2011 Allowable Growth Rate	2.0%	2.0%	2.0%	2.0%	2.0%
FY 2011 Per Pupil Growth	\$ 9.94	\$ 1.13	\$ 1.23	\$ 0.52	\$ 0.06
FY 2011 State Cost Per Pupil	\$ 507.03	\$ 57.42	\$ 62.55	\$ 26.54	\$ 3.10

- Each School District/AEA FY 2010 per pupil amount is increased by the FY 2011 per pupil growth for each supplement.
- The FY 2011 State cost per pupil amounts will be used to calculate the FY 2012 per pupil growth.



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Example: Budget Guarantee

FY 2011 Teacher Salary Supplement Calculation		FY 2012 Teacher Salary Supplement Calculation	
FY 2011 Budget Enrollment	2,000	FY 2012 Budget Enrollment	1,750
FY 2011 Dist. TSS Per Pupil	\$ 450 x	FY 2012 Dist. TSS Per Pupil	\$ 460
FY 2011 Unadjusted TSS	<u>\$ 900,000</u>	FY 2012 Unadjusted TSS	<u>\$ 805,245</u>
FY 2010 Unadjusted TSS	\$ 1,000,000	FY 2011 Unadjusted TSS	\$ 900,000
Is FY 2011 < FY 2010	YES	Is FY 2012 < FY 2011	YES
FY 2010 TSS	\$ 1,000,000	FY 2011 Unadjusted TSS	\$ 900,000
FY 2011 Unadjusted TSS	<u>\$ 900,000 -</u>	FY 2012 Unadjusted TSS	<u>\$ 805,245 -</u>
FY 2011 TSS Budget Guarantee	<u>\$ 100,000</u>	FY 2012 TSS Budget Guarantee	<u>\$ 94,755</u>
FY 2011 Unadjusted TSS	\$ 900,000	FY 2012 Unadjusted TSS	\$ 805,245
FY 2011 TSS Budget Guarantee	<u>\$ 100,000 +</u>	FY 2012 TSS Budget Guarantee	<u>\$ 94,755 +</u>
FY 2011 Total TSS	<u>\$ 1,000,000</u>	FY 2012 Total TSS	<u>\$ 900,000</u>

This example is for illustrative purposes only.

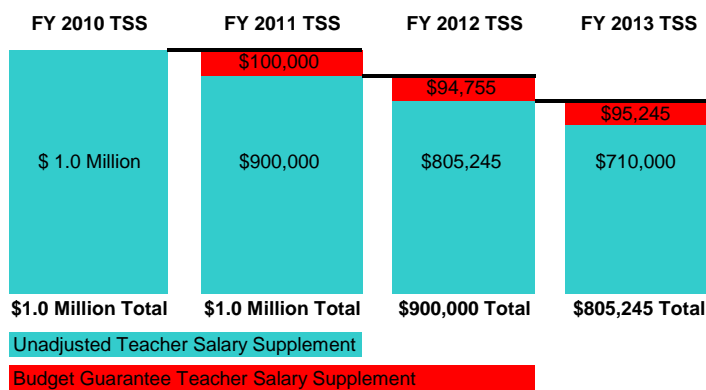


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Example: Budget Guarantee (cont'd)



This example is for illustrative purposes only.

Budget Guarantee works the same way for all State Categorical Supplements.



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State Categorical Funding Amounts

- Now funded on a per pupil basis
- Overall funding a factor of enrollment changes and allowable growth rate
- FY 2010 - \$309.0 million
 - ◆ Teacher Salary - \$251.3 million
 - ◆ Professional Development - \$28.5 million
 - ◆ Early Intervention - \$29.25 million
- Estimated FY 2011 - \$315.5 million
 - ◆ Teacher Salary - \$256.5 million
 - ◆ Professional Development - \$29.1 million
 - ◆ Early Intervention - \$29.9 million
 - ◆ Budget Guarantee Total - \$0.5 million



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State Categorical Funding Amounts – Est. for FY 2012

- FY 2012 at 0.0% Allowable Growth Rate - \$317.4 million
 - ◆ Teacher Salary - \$256.6 million
 - ◆ Professional Development - \$29.1 million
 - ◆ Early Intervention - \$29.9 million
 - ◆ Budget Guarantee Total - \$1.9 million
- FY 2012 at 2.0% Allowable Growth Rate - \$322.2 million
 - ◆ Teacher Salary - \$261.7 million
 - ◆ Professional Development - \$29.7 million
 - ◆ Early Intervention - \$30.5 million
 - ◆ Budget Guarantee Total - \$0.3 million

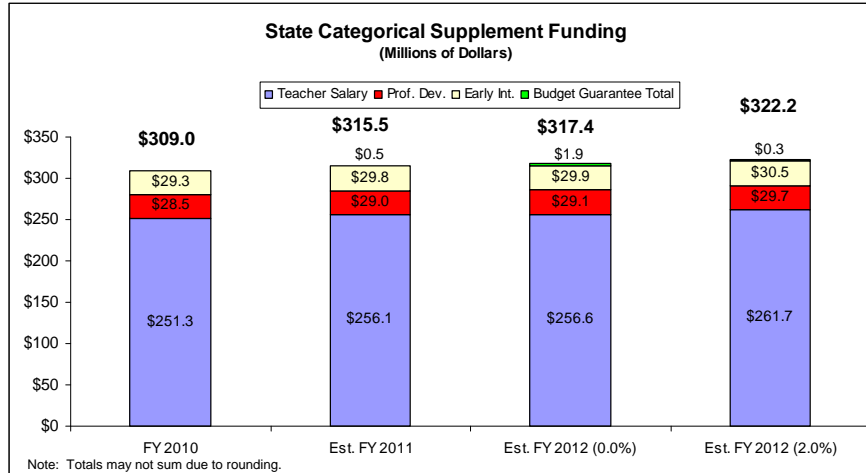


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State Categorical Funding Amounts

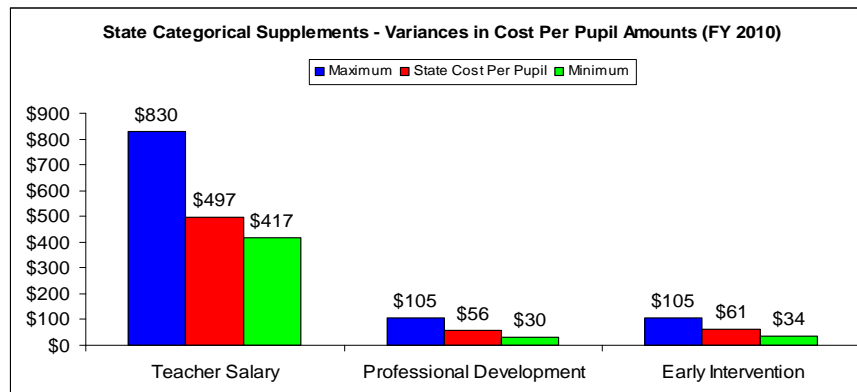


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Potential Issue – Variances in Cost Per Pupil



FY 2010 funding based on FY 2009 allocation amounts to school districts (and AEAs) – resulted in variances in cost per pupil amounts.



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Potential Issue – Variances in Cost Per Pupil (cont'd)

- Teacher Salary Supplement Cost Per Pupil: Range = \$413
 - ◆ 116 Districts < SCPP
 - ◆ \$5.6 million to bring minimum per pupil amount to SCPP
- Prof. Dev. Supplement Cost Per Pupil: Range = \$75
 - ◆ 200 Districts < SCPP
 - ◆ \$1.1 million to bring minimum per pupil amount to SCPP
- Early Intervention Supplement Cost Per Pupil: Range = \$72
 - ◆ 232 Districts < SCPP
 - ◆ \$1.9 million to bring minimum per pupil amount to SCPP



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Questions?

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LSA K-12 Website:

http://staffweb.legis.state.ia.us/lfb/docs/k-12_ed/k-12_ed.htm



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